



January 26, 2007

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## SENATE BILL No. 229

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DIGEST OF SB 229 (Updated January 24, 2007 11:40 am - DI 106)

**Citations Affected:** IC 15-7; IC 26-1; noncode.

**Synopsis:** Repeal of uniform bulk sales law. Repeals the uniform law concerning the documentation and regulation of bulk sales. Makes conforming amendments.

**Effective:** July 1, 2007.

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**Simpson, Bray**

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January 8, 2007, read first time and referred to Committee on Judiciary.  
January 25, 2007, reported favorably — Do Pass.

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SB 229—LS 6001/DI 110+



January 26, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTIONs6 that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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## SENATE BILL No. 229

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A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 15-7-7-18 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. ~~(a)~~ This chapter  
3 does not affect a security interest that the wholesaler, manufacturer, or  
4 distributor may have in a retailer's inventory.

5 ~~(b) IC 26-1-6-1 does not apply to a repurchase of inventory under~~  
6 ~~this chapter.~~

7 SECTION 2. IC 26-1-1-105 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 105. (1) Except as  
9 provided in this section, when a transaction bears a reasonable relation  
10 to this state and also to another state or nation the parties may agree  
11 that the law either of this state or of ~~such~~ **the** other state or nation shall  
12 govern their rights and duties. Failing such agreement, IC 26-1 applies  
13 to transactions bearing an appropriate relation to this state.

14 (2) Where one of the following provisions of IC 26-1 specifies the  
15 applicable law, that provision governs and a contrary agreement is  
16 effective only to the extent permitted by the law (including the conflict  
17 of laws rules) so specified:

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1 IC 26-1-2-402 concerning rights of creditors against sold goods.

2 IC 26-1-2.1-105 and IC 26-1-2.1-106 concerning leases.

3 IC 26-1-4-102 concerning bank deposits and collections.

4 IC 26-1-4.1-507 concerning funds transfers.

5 IC 26-1-5.1-116 concerning letters of credit.

6 ~~IC 26-1-6.1-103 concerning bulk sales.~~

7 IC 26-1-8.1-110 concerning investment securities.

8 IC 26-1-9.1-301 through IC 26-1-9.1-307 concerning the  
9 perfection, the effect of perfection or nonperfection, and the  
10 priority of security interests.

11 SECTION 3. IC 26-1-2-403 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 403. (1) A purchaser  
13 of goods acquires all title which ~~his~~ **the purchaser's** transferor had or  
14 had power to transfer, except that a purchaser of a limited interest  
15 acquires rights only to the extent of the interest purchased. A person  
16 with voidable title has power to transfer a good title to a good faith  
17 purchaser for value. When goods have been delivered under a  
18 transaction of purchase, the purchaser has such power even though:

19 (a) the transferor was deceived as to the identity of the purchaser;

20 or

21 (b) the delivery was in exchange for a check which is later  
22 dishonored; or

23 (c) it was agreed that the transaction was to be a "cash sale"; or

24 (d) the delivery was procured through fraud punishable as theft  
25 under the criminal law.

26 (2) Any entrusting of possession of goods to a merchant who deals  
27 in goods of that kind gives ~~him~~ **the merchant** power to transfer all  
28 rights of the entruster to a buyer in ordinary course of business.

29 (3) "Entrusting" includes any delivery and any acquiescence in  
30 retention of possession regardless of any condition expressed between  
31 the parties to the delivery or acquiescence and regardless of whether  
32 the procurement of the entrusting or the possessor's disposition of the  
33 goods have been such as to be theft under the criminal law.

34 (4) The rights of other purchasers of goods and of lien creditors are  
35 governed by IC 26-1-9.1 on secured transactions ~~IC 26-1-6.1 on bulk~~  
36 ~~sales~~; and IC 26-1-7 on documents of title.

37 SECTION 4. IC 26-1-6.1 IS REPEALED [EFFECTIVE JULY 1,  
38 2007].

39 SECTION 5. [EFFECTIVE JULY 1, 2007] **Rights and obligations**  
40 **that arose under IC 26-1-6.1 before the repeal of IC 26-1-6.1 by**  
41 **this act remain valid and may be enforced as though IC 26-1-6.1**  
42 **had not been repealed.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill No. 229, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 229 as introduced.)

BRAY, Chairperson

Committee Vote: Yeas 8, Nays 0.

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